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January 11, 2005

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

RE: Competitive Energy Services- Massachusetts, D.T.E. 04-84

Dear Ms. Cottrell:

New England Gas Company ("NEGASCo" or the "Company") hereby files the following comments in response to a July 14, 2004 request filed with the Department of Telecommunications and Energy (the "Department") by Competitive Energy Services-Massachusetts, LLC ("CES-MA"). CES-MA is requesting that the Department require local gas distribution companies ("LDCs") to "make available in electronic format and on a quarterly basis the capacity assignment numbers for each commercial and industrial ("C&I") account served by the LDC", along with other customer data (CES-MA Letter at 1).

The Company opposes CES-MA's request because some of the information sought to be shared may be considered by the Company's customers to be competitively sensitive. Specifically, many of the Company's C&I customers would not want their usage information released to third parties because the information may reveal competitively sensitive business practices. Accordingly, the Company is understandably reluctant to share its customer data with third parties without specific authorization by its customers.

Moreover, CES-MA's request appears to be based on an assumption that, because the Department has allowed customer data sharing in the electric industry (see Order Opening Investigation into Competitive Market Initiatives, D.T.E. 01-54 (June 29, 2001)), the Department should similarly require customer data sharing in the gas industry. However, it must be noted that the retail market for gas C&I customers is generally more vibrant than the competitive market for retail electricity customers, especially as compared to retail market for residential electricity customers which the Department sought to stimulate with D.T.E. 01-54. Accordingly, the policy basis for approving CES-MA's request is less compelling than it may have been for approving customer data sharing in the electricity market.

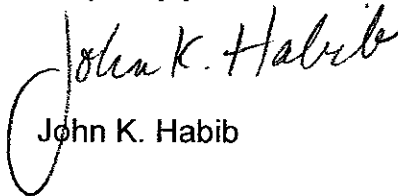
In addition, to the extent that the Department requires all of the Company's C&I customer data to be shared electronically with a supplier, the Company will have to incur significant costs to modify its data systems to implement the Department's order. The Company's system is simply not currently equipped to provide capacity assignment numbers for all Commercial and Industrial customers in an electronic format to multiple suppliers on a quarterly basis, as would be required if the Department approves CES-MA's request.

Given these issues, the Company recognizes that the Department may approve CES-MA's request and thus, the Company requests that the Department condition any such approval on certain conditions. First, the Company requests that the Department allow C&I customers to opt-out of having their data shared with gas marketers. The Department allowed such an opt-out procedure in D.T.E. 01-54. An opt-out process would ensure that customers not only receive notice that their data may be shared with a gas marketer, but also have the option to decline to participate.

In addition, the Company requests that the Department place restrictions on gas marketers use of any customer data received pursuant to this policy. Specifically, as a condition of receiving customer data, the Department should require that participating licensed gas suppliers agree in writing to use the data solely to market gas-related services. See D.T.E. 01-54, at 6 (June 29, 2001). Such an agreement would provide some assurance that the data will not be used for any purpose other than facilitating C&I customers' access to gas-related services.

Lastly, the Company requests that, to the extent that the Department approves CES-MA's request, the Department specifically allow LDCs to recover the costs associated with implementing this policy. Please contact me or Kevin Penders if you have any questions regarding the Company's comments.

Very truly yours,



John K. Habib

cc: Caroline Bulger, Hearing Officer
George Yiankos, Director, Gas Division (3 copies)
Joseph Rogers, Assistant Attorney General
Peter Czekanski
Kevin Penders